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## Viewing cable 09MOSCOW3109, SYSTEMIC REFORMS UNLIKELY WITHIN MEDVEDEV'S

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Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

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If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09MOSCOW3109**.

Reference ID	Created	Released	Classification	Origin
<a href="#">09MOSCOW3109</a>	<a href="#">2009-12-24 09:30</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy Moscow</a>

Appears in these articles:

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C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 003109

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E.O. 12958: DECL: 12/24/2018  
TAGS: [PGOV](#) [PREL](#) [PHUM](#) [PINR](#) [ECON](#) [ETRD](#) [KDEM](#) [RS](#)  
SUBJECT: SYSTEMIC REFORMS UNLIKELY WITHIN MEDVEDEV'S  
MODERNIZATION AGENDA

REF: MOSCOW 002781

Classified By: ADCM Susan Elliott for reasons 1.4 (b) and (d).

¶1. (C) Summary: President Dmitriy Medvedev's high-profile campaign to modernize Russia appears designed to give Russia modest, mostly long-term, economic benefits without altering the basic economic and political structures that Medvedev

inherited from Prime Minister Vladimir Putin. To the chagrin of some experts close to the President, the proposed changes are tactical in nature. If specific measures in Medvedev's agenda like enforcement of the rule of law, decreasing corruption, increasing transparency, building basic infrastructure, and protecting intellectual and property rights could be implemented, broad based growth could take place. Medvedev's desire to possibly run for re-election may be partially responsible for his push to modernize Russia and, unlike Putin, hold officials accountable for their actions in the aftermath of recent tragedies. Nonetheless, Medvedev's modernization drive provides US officials another potential hook for cooperation. End Summary.

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Modernization Tactical Or Strategic?  
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¶2. (SBU) Medvedev's ability to change Russia is based upon his concept of modernization, which he and Putin have publicly defined in different ways. During his annual address to the Federal Assembly on November 12, Medvedev described modernization as a broad change of mindset and business practices, with the focus on developing medical, energy, and information technology, space and telecommunications systems, and increasing energy efficiency. He described Russia as a multi-party democracy (reftel), and also said that the country needed "comprehensive modernization," which would result in a more democratic, market-oriented, competitive country. Medvedev has continued publicly to discuss modernization and has met with various committees, government bodies, and the media to push his agenda.

¶3. (SBU) In his speech to the United Russia Congress on November 21, Putin emphasized the economic aspects of modernization and cited Medvedev's five key areas of focus. He specifically pointed out the need for modernization of industrial and defense enterprises, ports, and the pension system. Putin also noted that Medvedev's call to "overcome chronic backwardness" and raise the level of Russia's overall development reflected the mood of all of Russian society. Putin only mentioned modernization twice during his four hour televised call-in event on December 3, despite numerous questions about what the Government would do to improve Russia's economic situation.

¶4. (C) Medvedev's tactical measures for achieving success in the five defined areas could be achieved with minimal structural changes to the economy. Installing individual gas meters to promote less-wasteful use of fuel, changing to more energy efficient light bulbs, studying the effect of decreasing the number of time zones in Russia, and building more supercomputers could provide short to medium-term economic benefits. They would not, however, significantly change the structure of the economy or the murky political context in which businessmen and investors operate. Some contacts with whom we spoke have jumped on terms such as "comprehensive modernization" to suggest, perhaps optimistically, that modernization would include wholesale changes to Russia's economic and political systems.

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Some Prospects for Strategic Reform  
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¶5. (C) Contacts have noted to us that modernization would lead to some targeted economic improvements, but, with a few exceptions, have expressed strong doubts about prospects for systemic reforms. xxxxxx said on December 22 that the President might make some changes on the edges of the political system, but denied that Medvedev's reforms would have any major impact on Russia's political structure, which he said had been painstakingly formed over the last 15 years. Medvedev might make some significant reforms in Russia's economic structure, but would have to "non-violently enforce" modernization on the business elite, who preferred the status quo and who wanted to avoid making expensive investments.

¶6. (C) xxxxxx

told us December 7 that while various groups of elites have competing views on modernization, it was possible for Medvedev, with the Government's support, to overcome bureaucratic inertia and push through broad economic and political reforms. One key institution for Medvedev was the Commission on Modernization and Technological Growth of the Russian Economy, de facto led by First Deputy Presidential Administration Head Vladislav Surkov. Medvedev, xxxxx added, wanted to add influential elites to the commission, and meet with it more often in order to give it authority and provide an impetus to fulfill his modernization agenda. Some siloviki, however, such as Rostekhnologia's Sergey Chemezov, have reportedly boycotted the commission.

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Modernization's Tactical Significance  
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¶7. (C) Other analysts stated that Medvedev had no chance of changing the economic or political systems because he did not have the inclination, power, or buy-in of the bureaucracy to do so. xxxxx told us December 21 that they see little prospect for systemic reforms within the President's modernization agenda. xxxxx said that democratic reforms could be the spark that helped push through additional large-scale reforms, but he "unfortunately" did not anticipate Medvedev making any major improvements in the economic or political spheres. xxxxx told us that modernization was focused on economic policies and that Medvedev could make some quality improvements in the economy. xxxxx agreed, however, that reforms would have to occur within the current political system because it was an "illusion" to think that the President could overhaul the political system.

¶8. (C) xxxxx told us December 17 that Medvedev, who he half-jokingly characterized as Putin's Minister of Economics and Assistant on Cadre Policies, had no chance of modernizing Russia. Modernization, he added, was unlikely to increase Medvedev's public standing or his ability to increase his team's power.

¶9. (C) Longtime expert on political systems xxxxx said on December 10 that Medvedev was trying to make some tactical changes, but had no levers to implement systemic reforms. Russian bureaucracy had watered-down, stalled, or hindered reforms for hundreds of years, and would be successful in preventing any broad reforms. xxxxx added that while Medvedev's reforms sounded nice, the President would never significantly alter the political system and create a "true" democratic system. According to xxxxx Medvedev has benefited from the current political system, and any attempts to change the system would introduce a level of uncertainty reminiscent of former Soviet leader Mikhail Gorbachev. xxxxx also noted that the bureaucracy feared losing their privileges and would fight change through bureaucratic measures.

¶10. (C) xxxxx Public Chamber member, xxxxx bluntly stated to us December 9 that the President was not able to reform the political system. Medvedev could not implement his modernization agenda, which xxxxx saw as a positive program for Russia, because the President lacked the levers to make systemic reforms, and because of bureaucratic opposition. xxxxx characterized Medvedev as a "Manilov," in reference to 19th century author Nikolay Gogol's fictional character Manilov, who was known, as they described, for devising grand schemes, but failing to ever implement them.

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Modernization Only One Part of Medvedev's Future Plans  
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¶11. (C) With Russia's presidential campaign season unofficially starting in about a year, many people with whom we spoke saw the present as pivotal for Medvedev's future if he wanted to prove that he could become an independent

political leader. xxxxxx said that the President needed to

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fulfill his promises, such as modernizing the country, to show all Russians that he can be relied upon to get things done. xxxxxx said that the key question was when the tandem would divide, and that modernization was only one part of Medvedev's case to maintain the reins of power. The President had made other steps that differentiate his style from Putin's, such as holding senior regional officials responsible for their duties in the wake of the club fire in Perm that killed 150 people and the death of lawyer Sergey Magnitsky while in pre-trial detention, that might elevate his case.

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Comment  
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¶12. (C) Modernization may not facilitate the structural changes to the political and economic spheres that some experts had hoped, but it could be another tool for Medvedev to demonstrate his leadership and, depending on his implementation and governing skills, introduce some uncertainty into the public and elite over his standing. Medvedev is finally challenging the low expectations and assessments of many experts after 19 months in office as Putin's junior partner. Medvedev has also refrained from challenging Putin's authority, control over day-to-day economic matters, or respect with the public and siloviki. Few currently doubt that the tandem member who will occupy the presidency in 2012 remains Putin's decision, but as the presidential campaign season approaches the risks and rewards for deviating from the tandem's stable relationship substantially increases for significant groups of elites with an interest in succession politics.  
Rubin